

SECOND REGULAR SESSION

HOUSE BILL NO. 2139

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SCHATZ.

6352H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 301.227, RSMo, and to enact in lieu thereof one new section relating to motor vehicle junking certificates.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 301.227, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 301.227, to read as follows:

301.227. 1. Whenever a vehicle is sold for salvage, dismantling or rebuilding, the purchaser shall forward to the director of revenue within ten days the certificate of ownership or salvage certificate of title and the proper application and fee of eight dollars and fifty cents, and the director shall issue a negotiable salvage certificate of title to the purchaser of the salvaged vehicle. On vehicles purchased during a year that is no more than six years after the manufacturer's model year designation for such vehicle, it shall be mandatory that the purchaser apply for a salvage title. On vehicles purchased during a year that is more than six years after the manufacturer's model year designation for such vehicle, then application for a salvage title shall be optional on the part of the purchaser. Whenever a vehicle is sold for destruction and a salvage certificate of title, junking certificate, or certificate of ownership exists, the seller, if licensed under sections 301.217 to 301.221, shall forward the certificate to the director of revenue within ten days, with the notation of the date sold for destruction and the name of the purchaser clearly shown on the face of the certificate.

2. Whenever a vehicle is classified as "junk", as defined in section 301.010, the purchaser may forward to the director of revenue the salvage certificate of title or certificate of ownership and the director shall issue a negotiable junking certificate [to the purchaser of the vehicle] **which shall authorize the holder to possess, transport, or, by assignment, transfer**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **ownership in such parts, scrap, or junk.** The director may also issue a junking certificate to
19 a possessor of a vehicle manufactured twenty-six years or more prior to the current model year
20 who has a bill of sale for said vehicle but does not possess a certificate of ownership, provided
21 no claim of theft has been made on the vehicle and the highway patrol has by letter stated the
22 vehicle is not listed as stolen after checking the registration number through its nationwide
23 computer system. Such certificate may be granted within thirty days of the submission of a
24 request.

25 3. [Upon receipt of a properly completed application for a junking certificate, the director
26 of revenue shall issue to the applicant a junking certificate which shall authorize the holder to
27 possess, transport, or, by assignment, transfer ownership in such parts, scrap or junk, and a
28 certificate of title shall not again be issued for such vehicle; except that, the initial purchaser]
29 **Notwithstanding any other provision of law, for any vehicle with a junk or substantially**
30 **equivalent designation, whether so designated in Missouri or any other state, regardless**
31 **of whether such designation has been subsequently changed erroneously or by law in this**
32 **or any other state, the department shall only issue a junking certificate, and a salvage or**
33 **original certificate of title shall not thereafter be issued for such vehicle. If the vehicle has**
34 **not previously been designated as junk or any other substantially equivalent designation**
35 **from this state or any other state, the applicant making the original junking certification**
36 **application** shall, within ninety days, be allowed to rescind [his] the application for a junking
37 certificate by surrendering the junking certificate and apply for a salvage certificate of title in
38 [his] the **applicant's** name. The seller of a vehicle for which a junking certificate has been
39 applied for or issued shall disclose such fact in writing to any prospective buyers before sale of
40 such vehicle; otherwise the sale shall be voidable at the option of the buyer.

41 4. No scrap metal operator shall acquire or purchase a motor vehicle or parts thereof
42 without, at the time of such acquisition, receiving the original certificate of title or salvage
43 certificate of title or junking certificate from the seller of the vehicle or parts, unless the seller
44 is a licensee under sections 301.219 to 301.221.

45 5. All titles and certificates required to be received by scrap metal operators from
46 nonlicensees shall be forwarded by the operator to the director of revenue within ten days of the
47 receipt of the vehicle or parts.

48 6. The scrap metal operator shall keep a record, for three years, of the seller's name and
49 address, the salvage business license number of the licensee, date of purchase, and any vehicle
50 or parts identification numbers open for inspection as provided in section 301.225.

51 7. Notwithstanding any other provision of this section, a motor vehicle dealer as defined
52 in section 301.550 and licensed under the provisions of sections 301.550 to 301.572 may
53 negotiate one reassignment of a salvage certificate of title on the back thereof.

54 8. Notwithstanding the provisions of subsection 1 of this section, an insurance company
55 which settles a claim for a stolen vehicle may apply for and shall be issued a negotiable salvage
56 certificate of title without the payment of any fee upon proper application within thirty days after
57 settlement of the claim for such stolen vehicle. However, if the insurance company upon
58 recovery of a stolen vehicle determines that the stolen vehicle has not sustained damage to the
59 extent that the vehicle would have otherwise been declared a salvage vehicle pursuant to
60 subdivision (51) of section 301.010, then the insurance company may have the vehicle inspected
61 by the Missouri state highway patrol, or other law enforcement agency authorized by the director
62 of revenue, in accordance with the inspection provisions of subsection 9 of section 301.190.
63 Upon receipt of title application, applicable fee, the completed inspection, and the return of any
64 previously issued negotiable salvage certificate, the director shall issue an original title with no
65 salvage or prior salvage designation. Upon the issuance of an original title the director shall
66 remove any indication of the negotiable salvage title previously issued to the insurance company
67 from the department's electronic records.

68 9. Notwithstanding subsection 4 of this section or any other provision of the law to the
69 contrary, if a motor vehicle is inoperable and is at least ten model years old, or the parts are from
70 a motor vehicle that is inoperable and is at least ten model years old, a scrap metal operator may
71 purchase or acquire such motor vehicle or parts without receiving the original certificate of title,
72 salvage certificate of title, or junking certificate from the seller of the vehicle or parts, provided
73 the scrap metal operator verifies with the department of revenue, via the department's online
74 record access, that the motor vehicle is not subject to any recorded security interest or lien and
75 the scrap metal operator complies with the requirements of this subsection. In lieu of forwarding
76 certificates of titles for such motor vehicles as required by subsection 5 of this section, the scrap
77 metal operator shall forward a copy of the seller's state identification along with a bill of sale to
78 the department of revenue. The bill of sale form shall be designed by the director and such form
79 shall include, but not be limited to, a certification that the motor vehicle is at least ten model
80 years old, is inoperable, is not subject to any recorded security interest or lien, and a certification
81 by the seller that the seller has the legal authority to sell or otherwise transfer the seller's interest
82 in the motor vehicle or parts. Upon receipt of the information required by this subsection, the
83 department of revenue shall cancel any certificate of title and registration for the motor vehicle.
84 If the motor vehicle is inoperable and at least twenty model years old, then the scrap metal
85 operator shall not be required to verify with the department of revenue whether the motor vehicle
86 is subject to any recorded security interests or liens. As used in this subsection, the term
87 "inoperable" means a motor vehicle that is in a rusted, wrecked, discarded, worn out, extensively
88 damaged, dismantled, and mechanically inoperative condition and the vehicle's highest and best
89 use is for scrap purposes. The director of the department of revenue is directed to promulgate

90 rules and regulations to implement and administer the provisions of this section, including but
91 not limited to, the development of a uniform bill of sale. Any rule or portion of a rule, as that
92 term is defined in section 536.010, that is created under the authority delegated in this section
93 shall become effective only if it complies with and is subject to all of the provisions of chapter
94 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any
95 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
96 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
97 grant of rulemaking authority and any rule proposed or adopted after August 28, 2012, shall be
98 invalid and void.

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